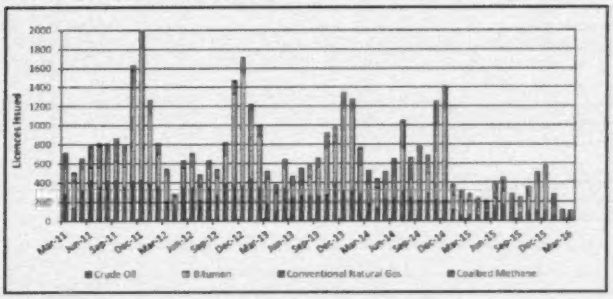
May 2016 Industry Activity Report

Monthly Well Licences



The Alberta Energy Regulator issued 108 well licenses in March 2016, down 62% from the 281 well licences issued in March 2015.

There were 20 licences issued for crude oil in March 2016, down 70% from the 66 crude oil licences issued in March 2015.

85% of the crude oil licences issued in March 2016 were for horizontal wells.

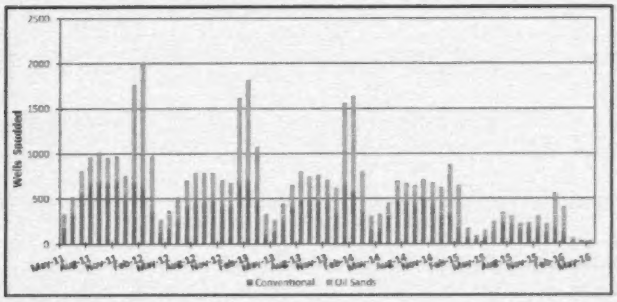
There were 65 natural gas well licenses (excluding CBM) issued in March 2016, 10% less compared to the 72 licences reported in March 2015.

100% of natural gas well licenses issued in March 2016 were for horizontal wells.

MARCH 2016			
Licenced Wells	Drilling Type	Total Licences	Per cent of Total Licences
Natural Gas	Horizontal	65	43%
	Vertical/Direct	-	
Coal Bed Methane	Horizontal	-	
	Vertical/Direct	-	
Crude Oil	Horizontal	17	24%
	Vertical/Direct	3	
Bitumen	Horizontal	4	33%
	Vertical/Direct	18	
	Evaluation	1	
Total		**108**	**100%**

Source: Alberta Energy Regulator

Alberta Wells Spudded (estimates)



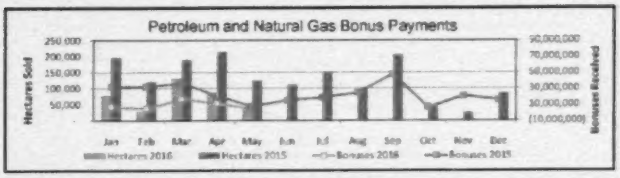
With a total of 39 spuds for the month of May 2016, activity has dropped 75% as compared to May 2015 when there were 153 spuds.

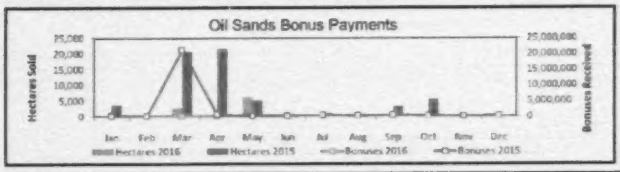
January to May 2016, spuds for conventional wells are down 46% while oil sands spuds are down 41% as compared to the same period in 2015.

		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	
2011	Conventional	760	708	532	110	181	339	573	679	690	678	701	484	**6,435**
	Oil Sands	1052	1295	786	131	153	186	239	289	329	277	273	273	**5,283**
2012	Conventional	691	645	389	135	169	278	430	467	481	474	424	412	**4,975**
	Oil Sands	1074	1377	611	141	206	241	274	318	303	308	283	263	**5,399**
2013	Conventional	701	700	470	112	137	266	412	485	480	475	458	346	**5,042**
	Oil Sands	915	1126	609	227	133	186	243	316	267	290	249	273	**4,833**
2014	Conventional	648	575	361	161	172	317	471	463	451	491	447	319	**4,878**
	Oil Sands	914	1061	451	159	163	142	227	210	194	225	229	307	**4,282**
2015	Conventional	351	185	74	52	77	141	239	212	166	191	188	124	**2,000**
	Oil Sands	536	466	108	43	76	114	113	104	68	49	132	105	**1,914**
2016	Conventional	186	125	31	32	26	18							**418**
	Oil Sands	380	288	37	11	13	2							**731**

Source: Alberta Energy Regulator

Petroleum & Natural Gas & Oil Sands Land Sales





Bonuses received from the petroleum and natural gas land sales held in May 2016 were about $5.1 million with an average price per hectare of $138.26.

Oil sands land sales totalled about $65.4 thousand with average price per hectare of $10.56 in May 2016.

Between January and May 2016, Alberta received a total of $44.5 million from the sales of about 368 thousand hectares of land, compared to about $150 million received on the sales of about 863 thousand hectares in the same period in 2015.

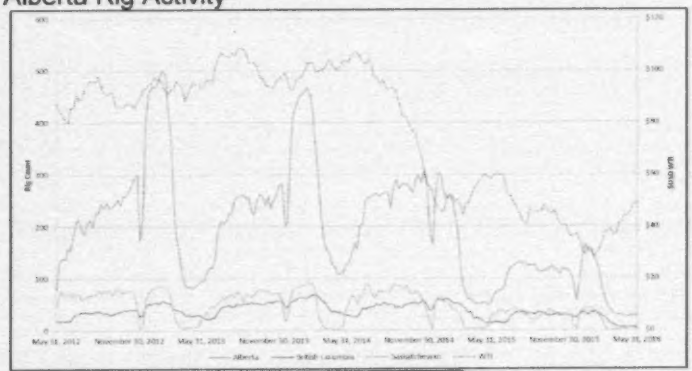
Average crown land prices between January to May have also decreased from $167.85/hectare in 2015 to $120.79/hectare in 2016.

Petroleum and Natural Gas Rights	May-16	May-15	YTD 2016	YTD 2015
Bonuses	$5,130,909.94	$7,290,268.25	$44,389,988.96	$128,191,761.79
Hectares	37,111	124,498	359,451	842,637
Average Price per Hectare (Cdn$)	$138.26	$58.56	$123.49	$152.13

Oil Sands Rights	May-16	May-15	YTD 2016	YTD 2015
Bonuses	$65,407.75	$13,056.00	$91,901.19	$21,770,609.92
Hectares	6,194	5,120	8,818	50,816
Average Price per Hectare (Cdn$)	$10.56	$2.55	$10.42	$428.42

Source: Alberta Energy

Alberta Rig Activity



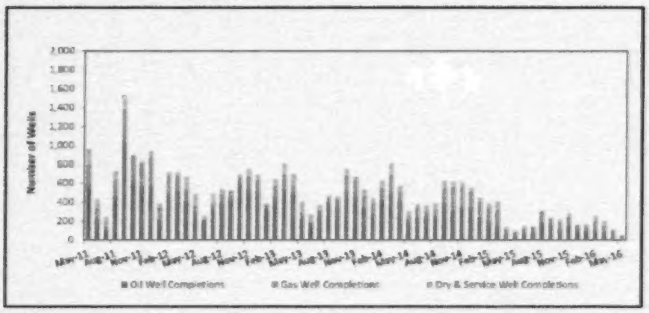
Canadian Drilling	Drilling May 27, 2016	Up or Down Compared to the Previous Week	WTI ($/bbl)
Alberta	28	(1)	$ 48.72
Saskatchewan	8	1	
British Columbia	5		
Canada	43	(1)	

Source: Baker Hughes

Canadian rig activity was down 1 at 28 for the week of May 27, 2016 and is 26 (48.1%) lower than last year.
The number of rigs drilling for oil was down 2 at 14 and is 30 (68.1%) lower than last year.
Gas directed rig count at 28 was up 2 and is 26 rigs (48.1%) lower than last year.

Canadian drilling falls rapidly in the spring to avoid environmental damage moving drilling equipment during the spring thaw and rainy season. With large weather related seasonal swings, even year-over-year comparisons can lead to incorrect conclusions.

Alberta Well Completions



There were a total of 51 wells completed in May 2016, down about 50% from 101 wells completed in May 2015.

Compared to January - May 2015, oil completions are down 59% and gas completions are down 38% for the same period in 2016.

		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
2011	Oil Wells	226	353	650	419	602	209	105	451	1030	626	559	568	**5,798**
	Gas Wells	145	294	974	472	196	124	43	183	356	259	243	299	**3,588**
	Dry & Service	42	127	222	112	160	100	97	94	145	19	32	73	**1,223**
2012	Oil Wells	215	489	516	405	295	205	348	380	447	588	533	523	**4,945**
	Gas Wells	131	181	146	141	62	12	46	98	66	81	137	110	**1,210**
	Dry & Service	35	48	55	126	128	37	94	63	12	23	80	59	**760**
2013	Oil Wells	313	449	522	481	230	179	263	354	357	528	463	333	**4,534**
	Gas Wells	59	124	149	91	47	14	59	46	72	153	164	139	**1,117**
	Dry & Service	9	67	119	129	66	79	51	34	29	72	44	58	**757**
2014	Oil Wells	280	427	520	416	188	240	245	257	389	314	354	348	**3,980**
	Gas Wells	105	119	186	94	54	94	52	63	154	239	197	161	**1,498**
	Dry & Service	57	80	126	62	63	45	70	69	85	65	62	42	**826**
2015	Oil Wells	239	194	147	57	34	75	80	189	154	113	152	89	**1,523**
	Gas Wells	168	134	166	52	42	45	44	108	66	75	93	63	**1,053**
	Dry & Service	46	60	94	32	25	31	21	13	15	27	40	11	**415**
2016	Oil Wells	88	106	43	30	11								**278**
	Gas Wells	55	90	106	69	29								**349**
	Dry & Service	29	64	51	14	11								**169**

Source: JuneWarren-Nickle's Energy Group